



THE GARRETT GAZETTE

Congressman Garrett's Newsletter on Issues of Interest to New Jersey's 5th Congressional District

July 2004

Dear Friend:

Thank you for signing up to receive my newsletter that includes updates on the work I am doing while representing the people of the 5th Congressional district. Your interest in and comments on the issues that Congress is debating are important to me as I weigh the merits of the legislation that comes before me. Thank you for your thoughts and interest in the legislative process. Please continue to contact myself, or my staff to let your voice be heard. Please enjoy this edition.

Headlines from the Hill

House Makes Important Commitment to our Brave Men and Women in Uniform

This week I was proud to support the Fiscal Year 2005 Defense Appropriations Act, HR 4613. This important legislation will provide spending in support of military operations in Iraq, Afghanistan and the Global War on Terrorism. It also provides an increase in growth in the Intelligence budget and maintains the overall readiness of the Department of Defense (DoD) forces worldwide as well as fully funds military pay, benefits and medical programs.

The FY 05 Defense Appropriations bill, as passed by the House, contains \$416.9 billion in new discretionary spending authority for the Department of Defense for fiscal year 2005. This amount includes \$25 billion requested by the President for early fiscal year 2005 costs associated with operations in Iraq and Afghanistan. The remaining \$391.1 billion reflects an increase of \$24.3 billion over amounts provided in the fiscal year 2004 Defense Appropriations Act.

Many of our nation's truest heroes are overseas protecting our safety and defending liberty and freedom worldwide. As a Member of Congress, supporting legislation to ensure that we are doing all we can for them is the least I can do.

Far Too Many American Families are Falling Subject to an Unfair, Burdensome Tax - So I Did Something About it

On Monday, June 21, I introduced legislation that will protect middle class workers from around the country against one of the most excessive taxes imposed. The Alternative Minimum Tax (AMT), originally enacted by Democrats in Congress to ensure that the "wealthy" were paying taxes, has now began to hit the paychecks of the middle class. Each year, more and more victims fall subject to the AMT.

One main reason for the growth in Americans who will be affected by the AMT is that the AMT is not indexed to inflation as is the regular income tax system. My legislation, the AMT Middle Class Fairness Act, HR 4629, will index the parameters of the AMT to take into account inflation. This would result in a 80% reduction of who would otherwise owe AMT.

The bill also would allow taxpayers who are forced to pay the AMT, to deduct their state and local taxes from it.

House Once Again Shows it's Support for One of Our Nation's Closest Allies

This week the House passed, with my help, a resolution again showing our unyielding support for the State of Israel. The resolution displays our support of President Bush's commitment to the Israeli people and also reaffirms the core principles President Bush outlined in his April 14 letter to Israeli Prime Minister Ariel Sharon.

Within the letter to Prime Minister Sharon, the President outlined the principles of American support for Israel's right to self-defense. The letter clearly states that Israel must not retreat behind its 1949 borders, and that there is no so-called "right of return."

The people of Israel are at war with terror, and it is our responsibility to help them win it. In response to the ongoing failure of the Palestinian Authority to dismantle terrorist elements, the Israeli people have continually been forced to defend their nation against terror.

There is an Ongoing War Against America and Americans - We Must Remain Vigilant

On June 18, 2004, I helped pass the Fiscal Year 2005 Homeland Security Appropriations bill. H.R. 4567 provides over \$32 billion for Department of Homeland Security operations.

As terrorists think of new ways to disrupt our way of life, this investment in our national security will ensure that our first responders, law enforcement agencies, and emergency personnel are always well ahead of them.

There are many people engaged in the most noble mission of providing security for our country and our people. From police officers and fire fighters, to border patrol and our men and women in the military, Americans from all parts of the country and all walks of life are doing their part. This bill, that I was proud to support, provides the means they need to succeed.

Highlights of the plan include:

- Supporting State and Local First Responders. \$4.1 billion for the Office of Domestic Preparedness, Firefighters, and Emergency Management.
 - Protecting our Nation's Borders. \$9.6 billion to fund border protection and related activities - an increase of \$630 million over last year's levels.
 - Enhancing Transportation Security. \$5.7 billion for the Transportation Safety Administration, to fund both aviation and non-aviation security.
 - Protecting the Nation's Critical Infrastructure. \$855 million to protect the nation's critical infrastructure such as bridges, ports, roads, and financial markets.
-

Job Growth is Back

The House takes the Next Step to Providing the Relief Necessary to Keep this Positive Trend Moving in the Right Direction

I am pleased to report that over 1.1 million jobs have been created in 2004. Almost 250,000 jobs have been created in the month of May. The state unemployment rate is 5.3%, lower than the national average of 5.6%. In addition, spurred by the Bush tax relief, 77,000 new jobs have been created in NJ since March of 2003.

Helping Our Businesses Compete Abroad

In order to bring the U.S. into compliance with the World Trade Organization (WTO) and in an effort to reform existing tax law and spur further economic growth in America, the House passed last week, HR 4250, the American Jobs Creation Act of 2004.

This bill boosts our growing economy by making it easier and more affordable for American businesses to reinvest and create jobs here. The American Jobs Creation Act does what its title implies, but it goes even further. It lives up to the important American value of fairness and sets an example for our current and future trade partners.

After the WTO ruled the United States out of compliance with its international trade agreement obligations, the European Union imposed tariffs on certain U.S. imports on March 1, 2004. Among the hardest hit by these tariffs have been American exporters and American workers.

The American Jobs Creation Act of 2004 will bring the United States into WTO compliance and lead to the elimination of the EU retaliatory tariffs on certain American goods. The bill contains provisions that also would bring much needed tax relief and reform to enhance the competitiveness of American businesses.

The American Jobs Creation Act demonstrates confidence in the quality of American made goods while at the same time, bringing work to those Americans who want it.

Facts of the Week

Democrats in Washington and in New Jersey continue their platform of increasing taxes.

An amendment introduced Congressman Obey, which I voted against and which thankfully failed, would have devastated families and small business. Under the amendment:

- The Obey Amendment would increase taxes by \$18.9 billion next year. That's equivalent to a \$268 billion tax hike over the next decade.
- The Amendment would affect 200,000 tax returns next year. Of these returns, 75 percent report business income. In other words, the Obey Amendment is a significant tax increase on job-creating small businesses and entrepreneurs.
- A tax increase of this size - if sustained - would destroy 130,000 jobs the year after it took effect.

At home, a tax and spend plan was put forward by New Jersey Governor Jim McGreevey. Under the plan, the state's top marginal tax rate will rise by 41% - to 8.97% from 6.37%. The Governor claims that he will tax "millionaires" to basically take back what they have received from the Bush Tax cuts.

With the McGreevey tax increase set to be put into law, and Mr. Obey was successful, then millionaires - most of whom are small business owners, would lose the Bush tax cut and still be getting hit with the McGreevey tax increase. My question during a floor speech this week on this topic was - When is it enough? Why are we taxing the very people - small business owners - who are a large part of creating new jobs and fueling our economic recovery both in New Jersey and across the nation. Let me be clear - we should not be taxing - we should be finding ways to stop spending and continuing to let tax payers keep their own money.

Recent Events Back Home

- On Saturday, June 12th, the town of Emerson unveiled a memorial dedicated to Army Specialist Kyle Griffin, a 20-year-old Emerson soldier who made the ultimate sacrifice in Iraq on May 30, 2003. I was proud to read a statement that I also entered into the Congressional Record, honoring Kyle for his dedication and sacrifice in the defense and preservation of freedom. Spc. Griffin's family, friends and fellow soldiers, were among the 200 people who turned out to pay their respects to a true hero.
 - This past Monday I held a press conference announcing the inclusion of Greenwood Lake in the Army Corps of Engineers' Aquatic Plant Control Program. Plagued by an overgrowth of weeds, Greenwood Lake is now on the road to being once again clear for enjoyment by local residents and tourists alike.
-

Upcoming Events

- On Monday June 28, I will join with the Small Business Administration in hosting a roundtable to discuss affordable healthcare options for small businesses. The discussion will focus on Health Savings Accounts (HSAs) and Association Health Plans (AHPs) and will highlight both their benefits for today and their potential for tomorrow. The event will take place at 10am at the Bergen Community College TEC Building.

www.house.gov/garrett